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JAN 13 2011

COMPTROLLER'S MEMORANDUM NO. 2011-02

TO: Heads of Departments
ATTN: Fiscal Offices
SUBJECT: Federal Per Diem Rates (CONUS)

In Revenue Procedure 2010-39, the Internal Revenue Service has updated the federal per diem rates established by Revenue Procedure 2009-47 for travel within the continental United States (CONUS). These standard rates affect the computation of the taxable portion of per diem allowances paid to State of Hawaii officers and employees. The information in this memorandum therefore needs to be forwarded to the offices in your department responsible for the computation and reporting of the taxable portion of per diem allowances for payroll tax withholding purposes.

The following rates are to be used for computing, under the high-low substantiation method, the taxable portion of per diem for CONUS travel expenses paid or incurred on or after January 1, 2011.

	<u>High-Cost Locality</u>	<u>Low-Cost Locality</u>
Lodging	\$168	\$108
Meals and Incidental Expenses	<u>65</u>	<u>52</u>
Total federal rates	<u>\$233</u>	<u>\$ 160</u>

Revenue Procedure 2010-39 has also made some changes in the locations identified in the high-cost category. Attached is an updated listing of the high-cost localities; all other CONUS localities are considered low-cost localities under the high-low substantiation method.


BRUCE A. COPPA
State Comptroller

Attachment

Arizona

Phoenix/Scottsdale
(January 1-May 31)

Sedona
(March 1-April 30)

Maricopa

City limits of Sedona

California

Monterey

Napa

(October 1-November 30 and April 1-September 30)

San Diego

San Francisco

Santa Barbara

Santa Monica

South Lake Tahoe

Yosemite National Park

Monterey

Napa

San Diego

San Francisco

Santa Barbara

City limits of Santa Monica

El Dorado

Mariposa

Colorado

Aspen

(December 1-March 31 and June 1-August 31)

Denver/Aurora

Silverthorne/Breckenridge

(December 1-March 31)

Steamboat Springs

(December 1-March 31)

Telluride

(December 1-March 31)

Vail

(December 1-August 31))

Pitkin

Denver, Adams, Arapahoe, and

Jefferson

Summit

Routt

San Miguel

Eagle

District of Columbia

Washington D.C. (also the cities of Alexandria, Falls Church, and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland) (See also Maryland and Virginia)

Florida

Fort Lauderdale

(January 1-May 31)

Fort Walton Beach/De Funiak Springs

(June 1-July 31)

Key West

Miami

(December 1-March 31)

Broward

Okaloosa and Walton

Monroe

Miami-Dade

Naples (January 1-April 30)	Collier
Illinois Chicago	Cook and Lake
Louisiana New Orleans (October 1-June 30)	Orleans, St. Bernard, Jefferson and Plaquemine Parishes
Maine Bar Harbor (July 1-August 31)	Hancock
Maryland Baltimore City (October 1-November 30 and March 1-September 30) Cambridge/St. Michaels (June 1-August 31) Ocean City (June 1-August 31) Washington, DC Metro Area	Baltimore City Dorchester and Talbot Worcester Montgomery and Prince Georges
Massachusetts Boston/Cambridge Falmouth (July 1-August 31) Martha's Vineyard (July 1-August 31) Nantucket (June 1-September 30)	Suffolk, City of Cambridge City limits of Falmouth Dukes Nantucket
New Hampshire Conway (July 1-August 31)	Carroll
New York Floral Park/Garden City/Great Neck Glens Falls (July 1-August 31) Lake Placid (July 1-August 31)	Nassau Warren Essex

Manhattan (includes the boroughs of Manhattan, Brooklyn, the Bronx, Queens and Staten Island)	Bronx, Kings, New York, Queens, Richmond
Riverhead/Ronkonkoma/Melville (June 1-August 31)	Suffolk
Saratoga Springs/Schenectady (July 1-August 31)	Saratoga and Schenectady
Tarrytown/White Plains/New Rochelle	Westchester
North Carolina	
Kill Devil (June 1-August 31)	Dare
Pennsylvania	
Philadelphia	Philadelphia
Rhode Island	
Jamestown/Middletown/Newport (October 1-October 31 and May 1-September 30)	Newport
Utah	
Park City (January 1-March 31)	Summit
Vermont	
Stowe (October 1-March 31 and June 1-September 30)	Lamoille
Virginia	
Washington, DC Metro Area	Cities of Alexandria, Fairfax, and Falls Church; counties of Arlington and Fairfax
Virginia Beach (June 1-August 31)	City of Virginia Beach
Washington	
Seattle	King
Wyoming	
Jackson/Pinedale (July 1-August 31)	Teton and Sublette

.04 Changes in high-cost localities. The list of high-cost localities in section 5.03 of this revenue procedure differs from the list of high-cost localities in section 5.03 of Rev. Proc. 2009-47 (changes listed by key cities).

(1) The following localities have been added to the list of high-cost localities: Yosemite National Park, California; Silverthorne/Breckenridge, Colorado; New Orleans, Louisiana; Falmouth, Massachusetts; Riverhead/Ronkonkoma/Melville, New York; Kill Devil, North Carolina; Stowe, Vermont; and Virginia Beach, Virginia.

(2) The portion of the year for which the following are high-cost localities has been changed: South Lake Tahoe, California; Aspen, Colorado; Telluride, Colorado; Vail, Colorado; Fort Lauderdale, Florida; Miami, Florida; and Martha's Vineyard, Massachusetts.

(3) The following locality has been removed from the list of high-cost localities: Hershey, Pennsylvania.

.05 Specific limitation.

(1) Except as provided in section 5.05(2) of this revenue procedure, a payor that uses the high-low substantiation method for an employee must use that method for all amounts paid to that employee for travel away from home within CONUS during the calendar year. See section 5.06 of this revenue procedure for transition rules.

(2) For an employee described in section 5.05(1) of this revenue procedure, the payor may reimburse actual expenses, use the meal and incidental expenses only per diem substantiation method described in section 4.02 of this revenue procedure, or use